

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<b>In re:</b>	§	
	§	<b>Chapter 11</b>
	§	
<b>NEWSCO INTERNATIONAL ENERGY</b>	§	<b>Case No. 19-36767 (DRJ)</b>
<b>SERVICES USA INC.,</b>	§	
<b>Debtor.</b>	§	

**DEBTOR’S APPLICATION TO EMPLOY GORDON BROTHERS  
ASSET ADVISORS LLC AS APPRAISER FOR THE DEBTOR**

**THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.**

**REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.**

**NOW COMES** Newsco International Energy Services USA, Inc., the above-captioned Debtor and Debtor-in-Possession (“Debtor”) by and through its undersigned counsel, and files this its *Application to Employ Gordon Brothers as Appraiser to the Debtor* (the “Application”), pursuant to 11 U.S.C. §§ 327(a), 328(a) and 1107 and Federal Rule of Bankruptcy Procedure 2014(a). In support of this Application, the Debtor respectfully represents to this Court as follows:

### **Background**

1. On December 4, 2019 (the “**Petition Date**”), Debtor filed a voluntary petition under Chapter 11 of the Bankruptcy Code. Debtor is operating its business and managing its property as debtor-in-possession pursuant to 11 U.S.C. §1107(a) and §1108.

### **Jurisdiction and Venue**

2. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. §157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§1408 and 1409.

### **Relief Requested**

3. Debtor seeks to employ an appraiser because the valuation of Debtor’s equipment is critical to the ability to conduct a liquidation analysis.

4. Debtor seeks approval to employ Gordon Bothers Asset Advisors, LLC (“Gordon Brothers”), which maintains offices at 6217 Chapel Hill Blvd., Suite 300, Plano, TX 75093, as appraisers for the Debtor to appraise Debtor’s equipment on the terms in Gordon Brothers’ proposed engagement letter attached hereto as **Exhibit A**. The appraisal fee is \$13,500 plus out of pocket expenses, with \$6,750 due upon engagement and the balance due upon the issuance of the appraisal report.

5. Debtor needs an updated valuation of its equipment to estimate the liquidation value of the Debtor’s estate.

6. Gordon Brothers conducted an appraisal of Debtor’s equipment as of February 21, 2019 and opined that the net forced liquidation value of the Debtor’s equipment was \$5,230,000.

7. That appraisal is no longer accurate because the market has materially changed, parts have been removed from downhole drilling equipment to maintain operational equipment,

other items of equipment have either depreciated due to wear and tear or have become obsolete, and some items are being sold or scrapped in connection with Debtor's closure of its warehouse in Casper, Wyoming.

8. To the best of Debtor's knowledge, Gordon Brothers does not represent any interest adverse to the Debtor's estate, is a "disinterested person" as defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b), and Gordon Brothers' employment is necessary and in the best interests of the Debtor and the Debtor's estate, as more particularly described in the Statement of Disinterestedness of Aaron Walton, Managing Director, Western Regional Sales Manager, Gordon Brothers Asset Advisors LLC attached hereto as **Exhibit B**.

**WHEREFORE**, Debtor respectfully requests that the Court grant the relief requested herein and such other and further relief as it deems just and proper.

Respectfully submitted,

By: /s/ Stephen A. Roberts  
**STEPHEN A. ROBERTS**  
[stephen.roberts@clarkhillstrasburger.com](mailto:stephen.roberts@clarkhillstrasburger.com)  
CLARK HILL STRASBURGER  
720 Brazos, Suite 700  
Austin, TX 78701  
(512) 499-3624- Telephone

**HERBERT J. GILLES**  
[herbert.gilles@clarkhillstrasburger.com](mailto:herbert.gilles@clarkhillstrasburger.com)  
CLARK HILL STRASBURGER  
901 Main Street, Suite 6000  
Dallas, TX 75202  
(214) 651-2167-Telephone

**ATTORNEYS FOR DEBTOR NEWSCO  
INTERNATIONAL ENERGY SERVICES  
USA, INC.**

**CERTIFICATE OF SERVICE**

The undersigned does hereby certify that a true and correct copy of the foregoing Application to Employ was served via CM/ECF to all parties entitled to such notice, and via U.S. first class mail or email to the parties listed below, as indicated, on July 20, 2020:

**Debtor:**

Newsco International  
Energy Services USA Inc.  
12029 Brittmoore Park Drive  
Houston, TX 77041

Herbert Gilles  
Clark Hill Strasburger  
901 Main Street, Suite 6000  
Dallas, TX 75202  
[hgilles@clarkhill.com](mailto:hgilles@clarkhill.com)

Internal Revenue Service  
Centralized Insolvency Office  
PO Box 7346  
Philadelphia, PA 19101-7346

United States Attorney General  
Department of Justice  
950 Pennsylvania Avenue, N.W.  
Washington, D.C. 20530

Texas Workforce Commission  
TWC Building – Regulatory Integrity Division  
101 East 15<sup>th</sup> Street  
Austin, TX 78778

Wyoming Secretary of State  
Business Division  
Herschler Building East  
122 W. 25<sup>th</sup> St., Ste 101  
Cheyenne, WY 82002-0020

**Counsel for Debtor:**

Stephen A. Roberts  
Clark Hill Strasburger  
720 Brazos, Suite 700  
Austin, TX 78701  
[Sroberts@clarkhill.com](mailto:Sroberts@clarkhill.com)

**U.S. Trustee:**

Stephen Douglas Statham  
Office of US Trustee  
515 Rusk, Ste 3516  
Houston, TX 77002  
[stephen.statham@usdoj.gov](mailto:stephen.statham@usdoj.gov)

United States Attorney, Civil Process Clerk  
1000 Louisiana Street #2300  
Houston, TX 77002

Texas Comptroller of Public Accounts  
Revenue Accounting Division – Bankruptcy  
Section  
PO Box 13528 Capitol Station  
Austin, TX 78711

Wyoming Dept. of Workforce Services  
5221 Yellowstone Rd.  
Cheyenne, WY 82002

**Top Twenty Unsecured Creditors:**

Abaco Drilling Technologies (Basin Tek)  
713 Northpark Central, Suite 400  
Houston, TX 77073  
[James.hanna@abacodrilling.com](mailto:James.hanna@abacodrilling.com)  
(Committee Member)

Gator Technologies  
415 Rankin Circle North  
Houston, TX 77073  
[mleblanc@gatortechologies.net](mailto:mleblanc@gatortechologies.net)  
(Committee Member)

Phoenix Technology Services  
3610 Elkins Rd  
Midland, TX 79705  
[bphillips@phxtech.com](mailto:bphillips@phxtech.com)  
(Committee Member)

Hill Country Staffing Co.  
501 S. Austin Avenue, Suite 1310  
Georgetown, TX 78626  
[Deanna.miller@hillcountrystaffing.com](mailto:Deanna.miller@hillcountrystaffing.com)  
[rshannon@bn-lawyers.com](mailto:rshannon@bn-lawyers.com)

Moore's Ind. Services Ltd.  
3333 – 23 Street N.E.  
Calgary, Alberta T2E 6V8  
[bcheyne@mooresind.com](mailto:bcheyne@mooresind.com)

GE Oil & Gas Compression Systems  
191 Rosa Parks St., 11<sup>th</sup> Floor  
Cincinnati, OH 45202  
[Roger.kramer@cooperservices.com](mailto:Roger.kramer@cooperservices.com)

TURNTEC  
4820 Cleveland Street  
Mills, WY 82604  
[banderson@turntecsmfg.com](mailto:banderson@turntecsmfg.com)

NOV National Oilwell Varco  
7909 Parkwood Circle Dr. Bldg #2  
Houston, TX 77036  
[Anthony.parker@nov.com](mailto:Anthony.parker@nov.com)

Salt Creek Properties LLC  
(Eastland Development LLC)  
PO Box 2390  
Casper, WY 82601  
[mthompson@mcmurry.net](mailto:mthompson@mcmurry.net)

Park City Drilling  
800 North Park Central, Suite 100  
Houston, TX 77073  
[bferguson@parkcitydt.com](mailto:bferguson@parkcitydt.com)  
(Committee Member)

IAE International, Inc.  
13300 Stonefield Dr.  
Houston, TX 77014  
[Dave.howe@iaeintl.com](mailto:Dave.howe@iaeintl.com)  
(Committee Member)

B&T Rentals  
PO Box 80962  
Lafayette, LA 70598-0962  
[tvallot@btrentals.com](mailto:tvallot@btrentals.com)

Sniper Drilling IAE International  
13300 Stonefield Dr.  
Houston, TX 77014  
[roxanne@iaeintl.com](mailto:roxanne@iaeintl.com)

Tycoon Oilfield Services  
3468 Schlager Road  
Casper, WY 82604  
[cvermeulen@tycoonoilfield.com](mailto:cvermeulen@tycoonoilfield.com)

NOV Tuboscope XL  
Hardbanding and Fabrication  
PO Box 51563  
Casper, WY 82605  
[Anthony.parker@nov.com](mailto:Anthony.parker@nov.com)

Bico Drilling Tools  
1604 Greens Road  
Houston, TX 77032  
[Jay.chatha@bicodrilling.com](mailto:Jay.chatha@bicodrilling.com)

Surface Engineering Alloy Co.  
2895 46<sup>th</sup> Ave North  
St. Petersburg, FL 33714  
[seanl@extremecoatings.net](mailto:seanl@extremecoatings.net)

Stabil Drill  
PO Box 81548  
Lafayette, LA 70598  
[Monica.leblanc@stabildrill.com](mailto:Monica.leblanc@stabildrill.com)

JPI, LLC  
4021 W 39<sup>th</sup> Street  
Casper, WY 82604  
[Palmer4021@icloud.com](mailto:Palmer4021@icloud.com)

Paradigm  
5707 South 1788  
Midland, TX 79706  
[Phillip.garrison@paradigmdownholetools.com](mailto:Phillip.garrison@paradigmdownholetools.com)

**Secured Lender:**  
SouthStar Financial LLC  
c/o Lindsey W. Cooper Jr.  
The Law Offices of L.W. Cooper Jr.  
36 Broad Street  
Charleston, SC 29401  
[lwc@lwcooper.com](mailto:lwc@lwcooper.com)

**Parties Requesting Notice:**

Cynthia Castanon  
Stacy & Baker, P.C.  
1010 Lamar Street, Suite 550  
Houston, TX 77002  
[Cynthia.castanon@stacybakerlaw.com](mailto:Cynthia.castanon@stacybakerlaw.com)  
*For National Oilwell Varco, L.P*

Brian A. Baker  
Stacy & Baker, P.C.  
1010 Lamar Street, Suite 550  
Houston, TX 77002  
[Brian.baker@stacybakerlaw.com](mailto:Brian.baker@stacybakerlaw.com)

Benjamin Lusky  
Gordon Lusky, LLP  
3417 Mercer Street, Suite A  
Houston, TX 77027  
[ben@gordonlusky.com](mailto:ben@gordonlusky.com)

Wells Fargo Vendor Financial Services, LLC  
c/o Ricoh USA Program f/d/b/a IKON  
Financial Services  
PO Box 13708  
Macon, GA 31208-3708

Montgomery County  
c/o Linebarger Goggan Blair  
& Sampson, LLP  
PO Box 3064  
Houston, TX 77253-3064  
[Houston\\_bankruptcy@publicans.com](mailto:Houston_bankruptcy@publicans.com)

Michael P. Ridulfo  
Kane Russell Coleman Logan PC  
5051 Westheimer Road, 10<sup>th</sup> Floor  
Houston, TX 77056  
[mridulfo@krcl.com](mailto:mridulfo@krcl.com)

Maria Bartlett  
Doré Rothberg McKay, P.C.  
17171 Park Row, Suite 160  
Houston, Texas 77084  
E-mail: [mbartlett@dorelawgroup.net](mailto:mbartlett@dorelawgroup.net)

Phillip P. Owens II  
OWENS LAW OFFICE, PC  
6907 N.W. 122nd Street  
Oklahoma City, OK 73142-3903  
[po@owenslawofficepc.com](mailto:po@owenslawofficepc.com)

Panocean, Inc. d/b/a Road Runner Express  
c/o Nima Taherian  
701 N. Post Oak Rd., Suite 216  
Houston, TX 77024  
(ECF notification only, by request)

Ted L. Walker  
THE WALKER FIRM  
125 N. Main  
P.O. Box 62  
Jasper, TX 75951  
[twalker@walker-firm.com](mailto:twalker@walker-firm.com)

Anabel King  
Wauson Probus  
One Sugar Creek Center Blvd.  
Suite 880  
Sugar Land, Texas 77478  
[aking@w-plaw.com](mailto:aking@w-plaw.com)

Anabel King  
Wauson ♦ Probus  
One Sugar Creek Center Blvd., Suite 880 Sugar  
Land, Texas 77478  
(281) 242-0303 (Telephone)  
(281) 242-0306 (Facsimile)  
Email: [aking@w-plaw.com](mailto:aking@w-plaw.com)

David W. Lauritzen  
Cotton, Bledsoe, Tighe & Dawson, P.C.  
500 W. Illinois, Suite 300  
Midland, Texas 79701  
Email: [dlauritzen@cbtd.com](mailto:dlauritzen@cbtd.com) and  
[bwrangham@cbtd.com](mailto:bwrangham@cbtd.com)  
Phone: (432) 682-3672

E. Michelle Bohreer  
Pritesh Soni  
Bohreer Law Firm PLLC  
109 Post Oak Ln, Suite 425  
Houston, TX 77024  
Email: [michelle@bohreerlaw.com](mailto:michelle@bohreerlaw.com)  
Email: [pritesh@bohreerlaw.com](mailto:pritesh@bohreerlaw.com)

Justin W. R. Renshaw  
Renshaw PC  
2900 Wesleyan, Suite 230  
Houston, TX 77027  
[justin@renshaw-law.com](mailto:justin@renshaw-law.com)

Matthew H. Morgan  
Nichols Kaster, PLLP  
80 South Eighth Street  
4600 IDS Center  
Minneapolis, Minnesota 55402  
612-256-3200  
612-338-4878 (Facsimile)  
Email: [Morgan@nka.com](mailto:Morgan@nka.com)  
and [Assistant@nka.com](mailto:Assistant@nka.com)

/s/ Stephen A. Roberts  
Stephen A. Roberts

## **EXHIBIT A**





July 15, 2020

Mr. Biswajit Mishra  
President & CFO  
Newsco International Energy Services Inc.  
12029 Brittmoore Park Drive  
Houston, TX 77041

Thank you for giving Gordon Brothers Asset Advisors, LLC ("Gordon Brothers") the opportunity to submit this valuation proposal. This page provides an overview of the engagement and is subject to the Detailed Terms and Conditions set forth on the following pages. We hope to work with you on this project.

Company to be Appraised	Newsco International Energy Services Inc. Job No. 3093796
Intended Users of the Appraisal	Newsco International Energy Services Inc.
Intended Use of the Appraisal	Financing Purposes
Assets Subject to the Appraisal	Appraise the Machinery & Equipment ("M&E") ("Subject Assets") at the location identified in the Detailed Terms and Conditions
Standard(s) of Value	<ul style="list-style-type: none"> <li>– Forced Liquidation Value – Net of Liquidator's Expenses and Holding costs</li> <li>– Orderly Liquidation Value – Net of Liquidator's Expenses and Holding costs</li> </ul>
Scope of Work	Full scope is specified in the Detailed Terms and Conditions
Appraisal Fee and Expenses	\$13,500.00, exclusive of out-of-pocket expenses
Payment Terms	50% retainer of \$6,750.00 due prior to commencement. Balance of fee and expenses due prior to release of preliminary numbers or final report
Disclosure of Related Services	We advise you that we have in the past performed appraisal(s) on behalf of a lender or lenders to the Company, and such appraisal(s) may relate to certain assets which may also be the subject of the appraisal contemplated herein. Gordon Brothers Asset Advisors, LLC was most recently engaged for such appraisal on or about August 2017.
Engagement Acknowledgement	If this overview and attached Detailed Terms and Conditions are acceptable, please sign and return it in its entirety to awalton@gordonbrothers.com or fax to 262.241.2116. Your signature on the electronic or faxed document will be considered an original signature.

**Proposed by:**  
**Gordon Brothers Asset Advisors LLC**

Aaron Walton  
Managing Director, Western Regional Sales Manager  
Prepared by: keq

**Accepted by:**  
**Newsco International Energy Services Inc.**

Mr. Biswajit Mishra  
President & CFO  
biswajit.mishra@newsco-drilling.com

Date

N: 071520201428

## DETAILED TERMS AND CONDITIONS

At the request of Newsco International Energy Services Inc. ("Client" and "Company"), Gordon Brothers is providing this letter of engagement to establish the terms under which the assets described herein will be appraised.

The Terms and Conditions detailed below further identify the assets subject to the appraisal, valuation concept to be applied, scope of work to be performed, fee for the assignment, and other information. We want to make sure that we deliver exactly what you are expecting, so please read this document carefully to ensure that the scope of the valuation has been defined properly.

### INTENDED USE OF THE APPRAISAL

The intended use of the appraisal is for financing purposes.

The appraisal is to be relied upon solely by Newsco International Energy Services Inc.

The Client may, at its option, provide a copy of this appraisal to other entities, if they are part of a syndicate lending group, working with the Client to provide financing for any or all of the assets considered in this report ("Other Syndicate Lenders").

### ASSETS SUBJECT TO THE APPRAISAL

Gordon Brothers will conduct an appraisal of the Owned Machinery & Equipment of Newsco International Energy Services Inc. It is assumed that all of the assets to be included in the appraisal are owned by the Company unless otherwise indicated. Gordon Brothers will rely on management to identify any assets that are leased, consigned, or otherwise owned by parties unrelated to the appraisal. UCC searches will not be conducted.

### STANDARD(S) OF VALUE

**The M&E will be appraised based on the following:**

In its website posting, *Definitions of Value Relating to MTS Assets*<sup>1</sup> (<http://www.appraisers.org/Disciplines/Machinery-Technical-Specialties/mts-appraiser-resources/DefinitionsOfValue>, number 7), the American Society of Appraisers defines *Forced Liquidation Value* as follows:

#### Forced Liquidation Value (FLV)

*"An opinion of the gross amount, expressed in terms of money, that typically could be realized from a properly advertised and conducted public auction, with the seller being compelled to sell with a sense of immediacy on an as-is, where-is basis, as of a specific date."*

This definition assumes that the specific date is consistent with the effective date of the appraisal. It is also assumed the buyer considered the risk and costs associated with dismantling and removal in the price paid. The value conclusions further take into consideration location, difficulty of removal, condition, adaptability, specialization, marketability, overall appearance, and psychological appeal. Further, the ability of the asset group to draw sufficient prospective buyers to ensure competitive offers at an auction sale is considered. Lastly, if conditions of sale exist, such as a limit on the amount of marketing time or the seller is under duress to sell, the values of the assets can be negatively impacted.

<sup>1</sup> Machinery & Technical Specialties Committee of the American Society of Appraisers – July 25, 2018

## DETAILED TERMS AND CONDITIONS

**Net of Liquidator's Expenses and Holding Costs**

To arrive at the Net Forced Liquidation Value, certain expenses of liquidation are deducted. These expenses include, but may not be limited to, the liquidator's commission and the liquidator's costs associated with travel expenses, set-up costs, labor, site security, and advertising costs. In addition to this, the real and personal property holding costs over the sale period are also considered. These expenses include costs such as building rent/mortgage payments, site utilities, real and/or personal property taxes, real and/or personal property insurance, building and equipment maintenance/upkeep costs and cost of retained company personnel. The expenses **do not** include any costs associated with environmental cleanup or remediation, legal fees, and other professional fees which may be incurred in the liquidation process, which are outside the control and scope of the liquidation sale.

In its website posting, *Definitions of Value Relating to MTS Assets*<sup>2</sup> (<http://www.appraisers.org/Disciplines/Machinery-Technical-Specialties/mts-appraiser-resources/DefinitionsOfValue>, number 9), the American Society of Appraisers defines *Orderly Liquidation Value* as follows:

**Orderly Liquidation Value (OLV)**

*"An opinion of the gross amount, expressed in terms of money, that typically could be realized from a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis, as of a specific date."*

Given the nature of the assets being appraised, a reasonable period of time is considered to be a 3- to 6-month period. The definition assumes that the specific date is consistent with the effective date of the appraisal. It is also assumed the buyer will adjust the price paid to offset any risk and dismantling/removal costs. The conclusions take into consideration location, difficulty of removal, condition, adaptability, specialization, marketability, overall appearance, and psychological appeal. This is a privately negotiated sale that is properly advertised and professionally managed. Further, the ability of the asset group to draw sufficient prospective buyers to ensure competitive offers is considered. Any deletions or additions to the assets appraised could change the psychological or monetary appeal necessary to attain the value estimated.

**Net of Liquidator's Expenses and Holding Costs**

To arrive at the Net Orderly Liquidation Value, certain expenses of liquidation are deducted. These expenses include, but may not be limited to, the liquidator's commission and the liquidator's costs associated with travel expenses, set-up costs, labor, site security, and advertising costs. In addition to this, the real and personal property holding costs over the sale period are also considered. These expenses include costs such as building rent/mortgage payments, site utilities, real and/or personal property taxes, real and/or personal property insurance, building and equipment maintenance/upkeep costs and cost of retained company personnel. The expenses **do not** include any costs associated with environmental cleanup or remediation, legal fees, and other professional fees which may be incurred in the liquidation process, which are outside the control and scope of the liquidation sale.

**SCOPE OF WORK**

Determining the scope of work is an ongoing process in an engagement. Information or conditions discovered during the course of the appraisal may cause the scope of work to be reconsidered; however, based on discussions thus far, our scope of the engagement is defined as follows.

The appraisal of the M&E will be conducted at the location listed below. Each location indicates whether it will be "Inspected" or not inspected and appraised on a "Desktop" basis.

Location	Address	Sq. Ft.	Inspected / Desktop	Facility Description
Location 1	12029 Brittmoore Park Drive Houston, TX 77401 USA		Inspected	

<sup>2</sup> Machinery & Technical Specialties Committee of the American Society of Appraisers – July 25, 2018



## DETAILED TERMS AND CONDITIONS

The scope of this engagement includes the evaluation of some personal property on a desktop basis. Gordon Brothers defines a Desktop appraisal as follows:

**Desktop appraisal**

*"A desktop appraisal is an evaluation that estimates the value of the assets that are the subject of the report without the appraiser having had the benefit of conducting a physical inspection of the assets."*

For any locations appraised desktop, no inspection will be made. Gordon Brothers will rely exclusively on the statements made and information provided by management of the Company and will assume, without verification, that this information is an accurate representation of the existence, condition, and functionality of all personal property appraised on a desktop basis.

This desktop information can include factual information relative to the M&E including age; manufacturer; model; serial number; relevant information pertaining to capacity and specifications; a statement of operating condition; maintenance, rebuild and/or retrofit history (when applicable); original cost information (when applicable); photographs (when available); and any other information deemed to be important. If an accurate statement of the operating condition of the asset cannot be provided, Gordon Brothers will assume the assets to be in average working condition and maintained within industry standards.

The M&E appraisal will exclude the following from appraisal consideration unless otherwise specifically agreed upon:

- |  |                     |
|--|---------------------|
| ▪ Repair or replacement parts                            | ▪ Business machines |
| ▪ Perishable tooling                                     | ▪ Computer hardware |
| ▪ Product-line dedicated molds, dies, jigs, and fixtures | ▪ Computer software |
| ▪ Office furniture                                       |                     |

Gordon Brothers can appraise the above noted exclusions if the Client desires for an additional fee.

Upon commencement of the engagement, Gordon Brothers will send information requests to the Company. Full cooperation in fulfilling these requests is assumed. It is further assumed that information will be provided in a timely manner and in electronic format (Excel or other database). Information received hard copy or of poor quality may result in additional work not within the scope of the proposal.

The appraisal report will clearly and accurately set forth the appraisal in a manner that is not misleading and contains sufficient information to enable the intended user(s) to understand the report, including a detailed listing of the major M&E with corresponding value estimates. Further discussion may be provided and include the following:

- |  |   |
|--|---|
| ▪ Identification of the Subject Assets | ▪ Identification of Extraordinary Assumptions and Hypothetical Conditions |
| ▪ Purpose of the appraisal             | ▪ Statement of Ownership  |
| ▪ Intended Use of the appraisal        | ▪ General Condition of the Assets   |
| ▪ Effective Date of the appraisal      | ▪ Environmental Considerations  |
| ▪ Methodology                          | ▪ Evaluation Considerations   |
| ▪ Scope of Work                        |   |

The Effective Date of the report will be determined based on the last day of inspection or, if any locations are appraised desktop, the date on which we have completed compilation of information for the appraisal, whichever is later.

The appraisal report will conform to the Uniform Standards of Professional appraisal Practice ("USPAP") adopted by the appraisal Standards Board of The appraisal Foundation and the Principles of appraisal Practice and Code of Ethics of the American Society of Appraisers.

## DETAILED TERMS AND CONDITIONS

## APPRAISAL FEE AND EXPENSES

## Valuation Analysis Fees

Total Appraisal Fee

\$13,500.00

## Payment Terms

Gordon Brothers requires that one-half of the appraisal fee of \$6,750.00 be paid as a retainer in advance of beginning the engagement. The balance of the fee \$6,750.00, plus the expenses, is due in full prior to the release of preliminary numbers or the final report. Gordon Brothers will submit to the Client an invoice for the balance of the fee and expenses at least five business days prior to the anticipated completion date of the engagement to facilitate receipt of payment on a timely basis. Payment of the appraisal fee and expenses is not contingent on the value conclusions expressed by Gordon Brothers.

## Expense Reimbursement

The Client will be responsible to reimburse Gordon Brothers for all reasonable out-of-pocket costs incurred as a result of the appraisal including travel, hotel, rental car, meals, etc.

## REPORT DELIVERY

A final report will be provided to the Client in an electronic PDF format only. Printed copies are available upon request. The appraisal will be available on Gordon Brothers' secure website, <https://report.gordonbrothers.com>. As soon as the report is complete, a username and password will be emailed along with instructions to access it.

## ASSUMPTIONS AND LIMITING CONDITIONS

The contents of the appraisal and valuation as described hereof are to be considered confidential and for the use of the Client only. The use of this appraisal report is limited to providing the documentation necessary for financial decision-making purposes regarding the underwriting of a potential financing agreement for the assets considered in this report. Upon receipt of payment in full of the appraisal fee, the valuation shall be deemed to be owned by the Client, which may, at its option, provide this appraisal to other persons providing financing for any or all of the assets considered in this report. The Other Syndicate Lenders, who finance the assets considered in this report, shall be entitled to rely on the appraisal to the same extent as the Client. No other third party shall have any right to rely on the appraisal without Gordon Brothers' prior written consent. The appraisal should not be used for any other purpose.

- Following the delivery of this appraisal, no advice, opinion, perspective, or other communication by Gordon Brothers or its affiliates, regardless of the manner or circumstances given, may be relied upon by the Client or any other person for any reason absent a subsequent written engagement and/or a formal reissuance of the underlying appraisal report.
- This appraisal may not be included or referenced in any Securities and Exchange Commission ("SEC") or Canadian Securities Administrators ("CSA") filings without the prior written consent of Gordon Brothers.
- The appraisal will not include any analysis of the impact, if any, of any environmental issues such as property or equipment clean up, remediation, disposal or other potential environmental liabilities. Gordon Brothers is not an environmental consulting firm and is not qualified to recognize or test for hazardous substances or conditions.

## DETAILED TERMS AND CONDITIONS

- If for any reason other divisions of Gordon Brothers perform or engage in any disposition, advisory or capital transactions and/or services relating to the Company, the Client hereby acknowledges the foregoing and waives any conflict or objection that they or their affiliates now have, or might in the future have, as a consequence of our performing this appraisal and other divisions of Gordon Brothers performing or engaging in such transactions and/or services. Gordon Brothers will further have the permission of the Client to periodically communicate with the Company regarding appraisal issues or other operational issues that surface based on our due diligence related to the appraisal.
- The Client acknowledges that the appraisal of the Company conducted for the Client is for the exclusive use of the Client, however may, in whole or in part, be shared with the Company at the Client's discretion. The Client understands that we are part of a large organization with affiliates that, in the ordinary course of their businesses, engage in purchases, sales and other transactions of securities, loans and other financial instruments of public and private companies. Certain of our affiliates and their directors, officers and employees may have financial and other interests in the securities, loans and other financial instruments of companies to which we and our affiliates provide services.
- The maximum liability of Gordon Brothers for the breach of any obligation in connection with this engagement or the report presentation, and for any and all damages of any type or nature (whether in contract or in tort, and whether compensatory, consequential or punitive in nature) sustained or claimed by the Company, or any other person or entity arising out of, or in connection with, this engagement or the report presentation, shall be limited to the total fee actually received by Gordon Brothers under the terms of the engagement letter. In no event or circumstance shall Gordon Brothers have any liability to the Company, or any other person or entity in excess of the fee actually paid to and received by Gordon Brothers under the engagement letter or for special, indirect, incidental or consequential damages, whether or not that party was advised of the possibility of such damages.
- Gordon Brothers' engagement hereunder shall not preclude Gordon Brothers from conducting a subsequent appraisal of the assets of the Company for any other party.
- Delivery by one or more parties hereto of an executed counterpart of the engagement letter via facsimile, telecopy or other electronic method of transmission pursuant to which the signature of such party can be seen (including, without limitation, Adobe Corporation's Portable Document Format) shall have the same force and effect as the delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by facsimile or other electronic method of transmission shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability, or binding effect of this Agreement.
- To the extent Gordon Brothers or any of its representatives are requested or required to participate in any litigation (whether in preparation, production, testimony or otherwise) arising from or related to this Agreement or Gordon Brothers' engagement hereunder (solely excluding claims by Client directly against Gordon Brothers), Gordon Brothers will further invoice the Client, and the Client shall pay to Gordon Brothers, \$4,000 per day (pro-rated for partial days) for such participation, plus reasonable out-of-pocket expenses actually incurred in connection therewith (including without limitation reasonable attorney's fees of Gordon Brothers' outside counsel assisting and/or advising in such participation).
- To the extent the Client requests that Gordon Brothers readdress the report to an unaffiliated third party, Gordon Brothers will invoice such third party \$500 for such readdress and advance payment of, or an invoice for, such fee shall be a condition to issuance of the readdressed report.
- Gordon Brothers is a subsidiary of Gordon Brothers Group, LLC ("Gordon Brothers Group"), a large organization with subsidiaries which, in the ordinary course of business, engage in a wide range of activities and transactions, including without limitation, asset dispositions, appraisals, real estate brokerage and investments, and financial services and investments. Such transactions may include purchases, sales and other dispositions of assets, real property, securities, loans and other financial instruments of public and private companies. Subject to compliance with any confidentiality obligations, nothing herein shall preclude Gordon Brothers Group and its subsidiaries from engaging in the above- referenced ordinary course business transactions or activities.
- In addition, Gordon Brothers Group is a portfolio company of investment funds managed by Stone Point Capital LLC (such investment funds and manager, collectively, "Stone Point"). No facts or circumstances concerning Stone Point or any portfolio company of any investment fund managed by Stone Point or any other entities affiliated with Stone Point and/or their members, directors, senior advisors, principals, officers or employees, whether (in the case of an entity) now in existence or formed hereafter (the "Excluded Companies") were reviewed or considered for purposes of performing a conflict check in connection with this engagement.

## **EXHIBIT B**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<b>In re:</b>	§	
	§	<b>Chapter 11</b>
	§	
<b>NEWSCO INTERNATIONAL ENERGY</b>	§	<b>Case No. 19-36767 (DRJ)</b>
<b>SERVICES USA INC.,</b>	§	
<b>Debtor.</b>	§	

**STATEMENT OF DISINTERESTNESS IN SUPPORT OF DEBTOR'S EMERGENCY  
APPLICATION TO EMPLOY GORDON BROTHERS ASSET ADVISORS LLC  
AS APPRAISER FOR THE DEBTOR**

STATE OF TEXAS

COUNTY OF COLLIN

AARON WALTON, being duly sworn, deposes and says:

1. I am the Managing Director, Western Regional Sales Manager, Gordon Brothers Asset Advisors LLC ("Gordon Brothers"), which maintains offices at 6217 Chapel Hill Blvd., Suite 300, Plano, TX 75093.

2. To the best of my knowledge, , neither I, nor any employee of Gordon Brothers or its affiliates, insofar as I have been able to ascertain, have any connection with Newsco International Energy Services USA Inc., the above captioned Debtor and Debtor-in-Possession ("Debtor" or "Newsco"), or any of the parties in interest identified on **Exhibit 1** attached hereto, provided by counsel to the Debtor, except as disclosed or described in this Rule 2014 Statement, including:

- a) Gordon Brothers and its affiliates, in the ordinary course of business, provide various appraisal services in dispositions, operations and investments. Gordon Brothers has previously conducted a valuation of Newsco's machinery and equipment and produced a report on June 18, 2019, effective February 21, 2019;
- b) Gordon Brothers has in the past performed appraisal(s) on behalf of a former lender or lenders to Newsco, and such appraisal(s) may relate to certain



assets which may also be the subject of the appraisal contemplated herein. Gordon Brothers was most recently engaged for such appraisal on or about August 2017; and,

- c) Gordon Brothers has in the past provided appraisal services to many lenders, investors, and other market participants, some of whom may be a party in interest in this Chapter 11 case. In addition, other Gordon Brothers' affiliates have been or are engaged by these financial institutions to perform other services for such clients and/or their respective borrowers. These financial institutions include Wells Fargo Bank, National Association ("Wells"). Wells Fargo Vendor Financial Services, LLC, a party in interest, is a subsidiary of Wells. None of such ordinary course interactions are believed to be related to the Debtor or this Chapter 11 case.

3. I have received no promises as to compensation in connection with this case except as set forth in the Engagement Letter by and between Newsco and Gordon Brothers. I do not have any agreement with any other entity to share with such entity any compensation received in connection with this case.

4. Gordon Brothers is not a creditor and does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtor, or for any other reason. Based on the foregoing, to the best of my knowledge, neither I nor Gordon Brothers hold or represent an interest adverse to Newsco International Energy Services USA Inc. or its creditors and are therefore disinterested and qualified for the employment proposed in the Application.

5. I declare under penalty of perjury under the laws of the United States, that the foregoing is true and correct.

DATE\_\_May11,2020\_\_\_\_\_



\_\_\_\_\_  
AARON WALTON

Managing Director, Western Regional Sales  
Manager, Gordon Brothers Asset Advisors  
LLC

Exhibit 1  
Parties in Interest

**Debtor**

Newsco International Energy Services USA Inc.

**Secured Lender**

SouthStar Financial LLC

**Debtor Counsel**

Clark Hill Strasburger

**Court/UST Personnel**

Stephen Douglas Statham

David R. Jones

**Top 20 Unsecured Creditors**

Abaco Drilling Technologies

Gator Technologies

Park City Drilling

Phoenix Technology Services

IAE International, Inc.

Hill Country Staffing Co.

B&T Rentals

Moore's Ind. Services Ltd.

Sniper Drilling IAE International

GE Oil & Gas Compression Systems

Tycoon Oilfield Services

TURNTEC

NOV Tuboscope XL Hardbanding and Fabrication

NOV National Oilwell Varco

Bico Drilling Tools

Salt Creek Properties LLC

Eastland Development LLC

Surface Engineering Alloy Co.

Stabil Drill

Paradigm

JPI, LLC

**Interested Parties**

Wells Fargo Vendor Financial Services, LLC, Ricoh USA Program f/d/b/a IKON

Pritesh Soni Bohreer Law Firm PLLC□

Renshaw PC

The Walker Firm

Owens Law Office, P.C.

Doré Rothberg McKay, P.C.

Kane Russell Coleman Logan PC

Linebarger Goggan Blair & Sampson, LLP

Gordon Lusky, LLP

Stacy & Baker, P.C.

The Law Offices of L.W. Cooper Jr.